

**DECISION SCIENCES INSTITUTE**

Mitigating the effect of buyer's dependence on supplier – The role of internal resource and external mechanism

**ABSTRACT**

Our study examines the resource and mechanism which firms can employ to mitigate the negative effect of buyer's dependence on supplier. Based on 204 manufacturing firms in Australia, we found that the negative effect of buyer's dependence on business performance is reduced by higher buyer's absorptive capacity and long-term relationship.

**KEYWORDS:** Buyer's dependence, Absorptive capacity, Long term relationship, Business performance, Empirical methods

